

**To the Mayor and Members of the City Council****May 12, 2015**

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**SUBJECT: AMEND ECONOMIC DEVELOPMENT PROGRAM AGREEMENT  
WITH VICTORY PACKAGING, L.P. TO REDUCE THE REAL PROPERTY  
INVESTMENT DUE TO COST SAVINGS**

The City of Fort Worth entered into an Economic Development Program Agreement with Victory Packaging L.P. for the development of a new production facility located at 15101 Grand River Road in the Centreport Business Park. The agreement provides for \$12,000,000.00 in real property improvements at the site and at least \$500,000.00 in new taxable business personal property on the premises by June 30, 2015. Victory Packaging must also employ a minimum of 60 full-time jobs in the facility and expend at least \$500,000.00 per year for supplies and services at the site with Fort Worth companies, including at least \$100,000.00 with Fort Worth certified M/WBE companies. In return, Victory Packaging will receive economic development grants authorized by Chapter 380, Texas Local Government Code, equal to a maximum of 50 percent of the City's taxes on the incremental increase in value of the real and business personal property investment at the site.

Upon completion of the new production facility, price reductions occurred related to lower land development fees, impact fees, and gas and electric infrastructure costs from what was originally anticipated. Consequently the total amount spent on real property improvements by the company was \$11,921,845.00 instead of the \$12,000,000.00 as outlined in the agreement. Failure to meet the real property investment commitment may be considered an event of default by the City, and therefore Victory Packaging is requesting that the Economic Development Program Agreement be amended to reduce the minimum real property investment from \$12,00,000.00 to \$11,500,000.00 and leaving all other terms and conditions outlined in the Economic Development Program Agreement as originally approved. Staff recommends moving forward with approval of Victory Packaging's request.

An M&C will be placed on the City Council meeting agenda scheduled for May 19, 2015, to authorize approval of the amendment to the Tax Abatement Agreement for City Council consideration.

Please contact Jay Chapa at 817-392-5804 if you have any questions or concerns.

**David Cooke**  
**City Manager**